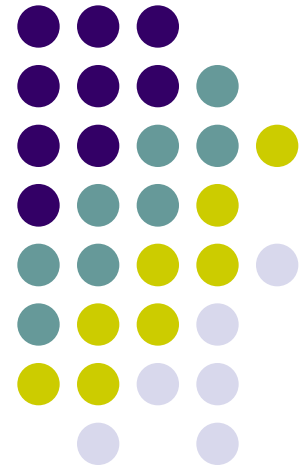


# Medicaid & Charter Schools

*Excerpt from Charter Schools Workshop presented  
4/18/2011 by Virgie Chambers and Julie Anna Hartwell*



# What are charter schools?



- A “charter school” means a public, nonreligious, nonhome-based, nonprofit corporation forming a school that operates within a public school district or the South Carolina Public Charter School District, but is accountable to the school board of trustees of that district which grants its charter.

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Public         | <input type="checkbox"/> Tuition-free      |   |
| <input type="checkbox"/> Non-religious  | <input type="checkbox"/> Nondiscriminatory | <input type="checkbox"/> Start-up         |
| <input type="checkbox"/> Non-home-based | <input type="checkbox"/> Open enrollment   | <input type="checkbox"/> Conversion (2/3) |
| <input type="checkbox"/> Not for profit | <input type="checkbox"/> School of choice  |   |
| <input type="checkbox"/> Accountable    | <input type="checkbox"/> Autonomous        |   |

## Funding:

- Local, state, and federal funds based on student population
- Grants (Charter School Program Grant)
- Donations, Fundraising



# Medicaid in Education

- Objective:
  - Explain why Medicaid reimburses school-based services and what services are reimbursable
  - Describe the current Medicaid school-based delivery system
  - Highlight issues that
    - help you define the scope of the charter school's Medicaid school-based health program
    - require communication and collaboration between the charter school and its authorizer in order to be Medicaid compliant



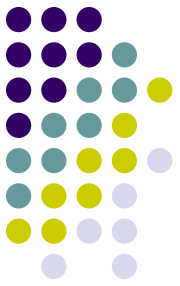
# Medicaid in Education

- **MEDICAID “FREE CARE” Rule**
  - Districts cannot bill Medicaid for services otherwise provided for free.
- **INDIVIDUALS WITH DISABILITIES ACT Requirement**
  - Districts must provide medical services necessary for a free and appropriate public education - FAPE.
- **IEP EXCEPTION to Medicaid’s FREE CARE Rule**
  - Districts can bill Medicaid for services required in an IEP (rehab and behavioral health services).



# Medicaid in Education

- The SC Department of Health and Human Services (SCDHHS) is the single state agency designated to administer the SC Medicaid program in compliance with:
  - State laws
  - Federal laws
  - State and Federal regulations
  - The SC State Medicaid Plan (the State Plan)



# Medicaid in Education

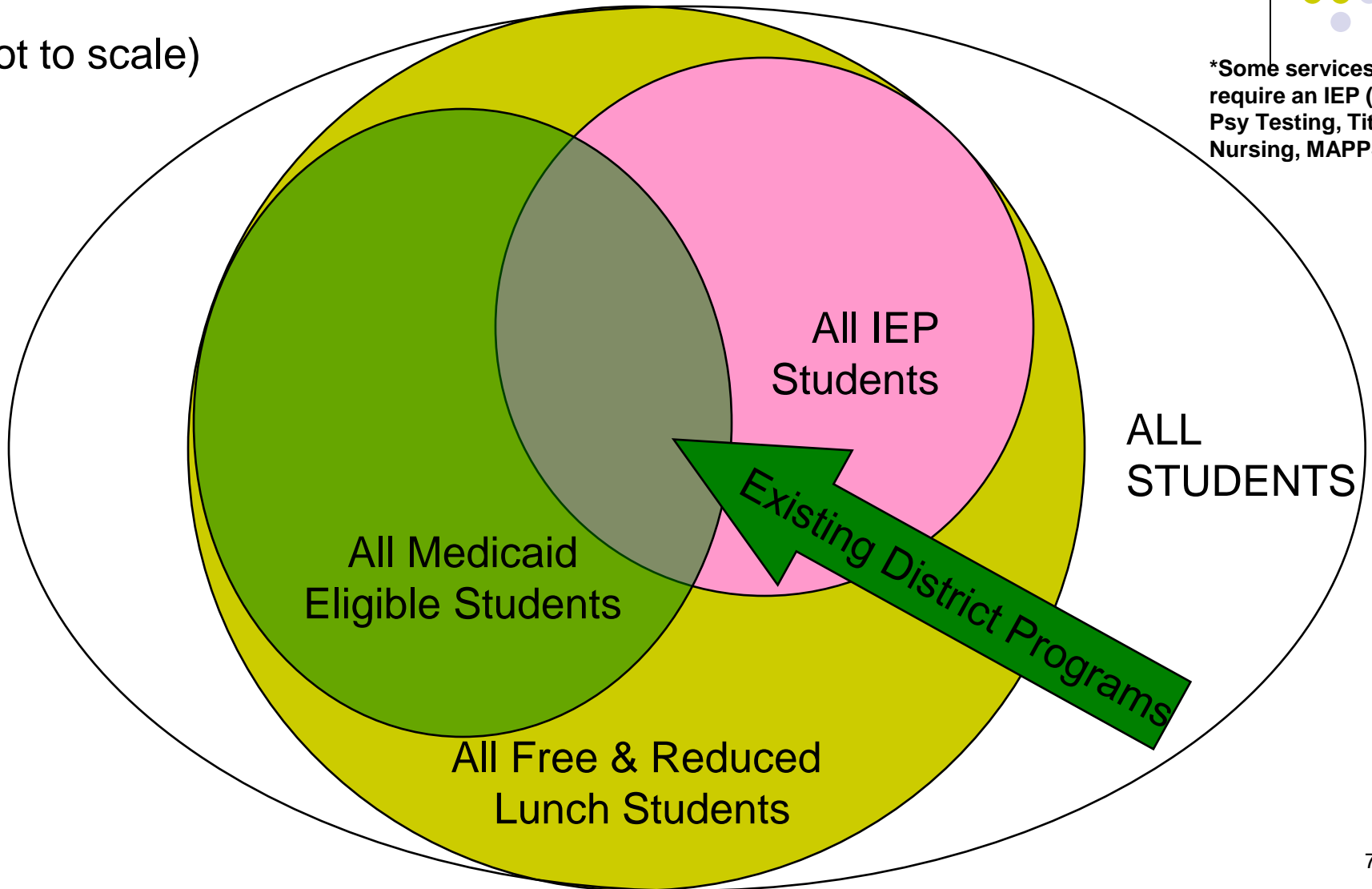
- The SC Department of Education, via Memorandum of Agreement with SCDHHS, provides
  - Quality Assurance Services
  - Cash Match tracking and transfer of funds
- SCDE conducts these activities on behalf of all 86 LEAs instead of SCDHHS conducting these responsibilities for each separate LEA.

# Medicaid in Education



\*Some services do not require an IEP (RBHS, Psy Testing, Title V Nursing, MAPPS)

(Not to scale)





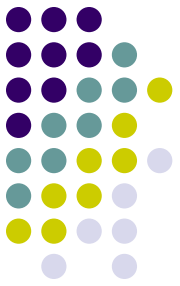
# Medicaid in Education

- A **portion** of cost of **medically necessary** health-related services provided to children with special needs (i.e., **IEPs**) are reimbursable thru **Medicaid**
  - 70% of the cost is reimbursed by Medicaid
  - Appropriately-credentialed health professionals deem that health services are necessary to maintain/improve health or treat an illness or disability
  - Health-related service is necessary to ensure a free, appropriate public education



# Medicaid in Education

## Districts can:



### Provide services in-house

OR

### Authorize other community providers to render services

District hires credentialed staff to render service



District provides Form 254 authorization

District provides required match (30%)



District provides required match (30%)

District handles claims processing (or contracts with vendor for claims processing)



Community provider handles claims processing

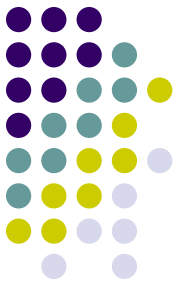
Payment sent from Medicaid to District



Payment sent from Medicaid to Community Provider

# Medicaid in Education . . . .

## Implications for Charter Schools



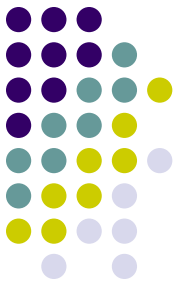
**Medicaid (SCDHHS) recognizes SCHOOL DISTRICTS or Local Education Agencies as Medicaid providers, not individual schools**

- Therefore, if a charter school intends to leverage Medicaid to help cover school-based health costs,
  - **Initiate discussions with your authorizer as soon as possible to identify how Medicaid funds can be leveraged to meet the needs of IEP students attending the charter school.**

**The SC Public Charter School District is now a Medicaid provider and can now bill Medicaid.**

# Medicaid in Education . . . .

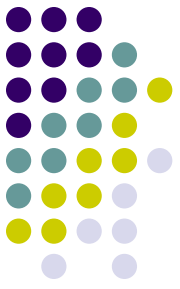
## Implications for Charter Schools



- Since Medicaid only recognizes the LEA as provider,
  - will the LEA provide services in-house or authorize other community providers to provide services on behalf of the charter school?
  - will the LEA allow its referral authorization number (known as an ED# and is noted on the 254 Form) to be used by the charter school if community providers are to deliver services?
    - *(The LEA can request a second ED# from SCDHHS)*
  - will the LEA track match associated with charter-referred providers to ensure that cash is on deposit at SCDHHS?
    - *(SCDHHS requires cash match to be on deposit at SCDHHS in order to draw federal funds (FFP). So the LEA and charter will need to have a mechanism in place to reconcile cash match.)*

# Medicaid in Education . . . .

## Implications for Charter Schools



Can a charter school leverage Medicaid without its authorizer playing any role?

**NO**

- *Even if the charter school has Medicaid eligible students in need of IEP health services and even if the school partners with a community provider (with a separate ED#) to provide services, the school still must have a relationship with the LEA to ensure that cash match is on deposit at SCDHHS.*
- *The LEA is responsible for compliance with Medicaid policies and documentation requirements through Quality Assurance efforts. Charter schools must be in compliance or its authorizer is subject to recoupment of funds.*



# Medicaid in Education

- When developing your charter application, you need to “think through”:
  - whether the **school** will provide Medicaid reimbursable services
  - source of **matching** funds
  - how your delivery system will look
  - how the claims processing system will look
  - what role each of your **partners** will play
  - how costs, match and reimbursements will be tracked

# Medicaid in Education



***Make sure you and your authorizer communicate and have a clear understanding of the role each of you will play in each step of the delivery system***

***YOUR AUTHORIZER MUST BE INVOLVED***



# Need Further Information?

- Email our Listserv:

[arms@ed.sc.gov](mailto:arms@ed.sc.gov)

- Visit our Website at:

<http://www.ed.sc.gov/agency/Innovation-and-Support/Public-School-Choice-and-Innovation/School-Based-Health/QualityAssurance.html>

- Contact us:

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# Questions





# Medicaid & Charter Schools

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April 18, 2011

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